

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING/EXECUTIVE SESSION

Monday, December 12, 2011

Pursuant to notice given to *The Register-Guard* for publication on December 8, 2011, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special Board meeting and executive session on Monday, December 12, 2011, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Greg Evans, Vice President
Dean Kortge, Secretary
Ed Necker, Treasurer
Michael Dubick
Gary Gillespie
Doris Towery
Ron Kilcoyne, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

CALL TO ORDER/ROLL CALL: Mr. Eyster convened the meeting and called roll at 5:30 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Eyster noted that approval of Board minutes was current and commended staff for their efforts.

COMMENTS FROM THE GENERAL MANAGER: Mr. Kilcoyne announced that November ridership was up 6.5 percent over the previous year and one million boardings had been exceeded in the month of November for the first time in the District's history. He said that the Leadership Council held its annual retreat on December 6, and many topics were covered. Topics included planning for an initiative to determine the appropriate level of service for the District and what that would mean to the community, determining how LTD could be more responsive and adaptive to future changes, and examining the Long-Range Financial Plan.

Mr. Kilcoyne said that he had asked public transit consultant Jarrett Walker to provide an independent, unbiased assessment of EmX. He said that Mr. Walker would visit Eugene during the week and would meet with LTD staff and interested community members.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Mr. Eyster introduced and welcomed Carl Faddis, the new executive board member representing the Amalgamated Transit Union.

BOARD CALENDARS: Mr. Kilcoyne reviewed activities on the Board calendars for the upcoming months. He noted that he would be gone for three weeks in order to permanently relocate to Eugene. He said that the Leadership Council would continue its annual retreat in January 2012, and the Board strategic planning session would be shifted to a date in February or early March.

WORK SESSION

Audit Report for Fiscal Year Ending June 30, 2011: Director of Finance and Information Technology Diane Hellekson provided an overview of the annual financial audit, which consisted of an audit report, audited statements, management letter, and single audit. She introduced independent auditor Charles Swank of Grove, Mueller & Swank, P.C. to discuss the audit. She thanked Board members for their thorough review of the documents.

Mr. Swank said that the single audit report was required by the federal government whenever an entity spent more than \$500,000 in federal funds. He said that there were no unusual findings or questioned costs. He said that the audit process was very smooth, and he commended LTD's Finance staff for their work. He encouraged the Board to review the management letter, which was helpful when reviewing the audit document. He highlighted aspects of the audit process and said that a major focus was the integrity of LTD's financial systems. He said that there were no significant or material deficiencies in the internal controls, and only three recommendations for improvements were made; all three points had already been addressed by management, and the Board had been provided with that information. He was pleased to note that the quality of the District's financial management had not been affected as LTD faced the challenge of decreasing funds.

Comprehensive Annual Financial Report (CAFR): Ms. Hellekson provided an overview of the CAFR, noting that the District was in a different financial environment than it was last year. She said that payroll tax receipts were up 3.6 percent for fiscal year ending June 30, 2011, and that ridership had increased as well. Operating expenses were tightly controlled as a result of several cost saving strategies that were implemented during the past fiscal year.

Mr. Kortge stated that he appreciated the historical statistical information contained in the CAFR and its usefulness when planning for the future. He drew the Board's attention to the unfunded pension liability and retiree Medicare benefits on pages 41 and 42.

EmX Next Steps and West Eugene EmX Extension Update: Senior Project Manager John Evans reported that the Environmental Assessment (EA) was currently under review by the Federal Transit Administration (FTA). He expected that it would be completed and a final document issued in January 2012. Open houses and public outreach activities would be initiated to familiarize the public with the EA. He said that comments received during the public outreach period would be incorporated and addressed in an FTA document titled *Findings of No Significant Impact* (FONSI), including any required mitigation.

In response to a question from Mr. Kortge, Mr. John Evans said that the scope of the EA was quite broad and included socioeconomic aspects of the project, cost, transit ridership, wetlands, land use, population, potential property acquisition, traffic, and other factors. He said that factors relevant to the project's EA were identified during the scoping process.

Mr. Kortge referred to an e-mail from an individual concerned about several aspects of the project and asked if that would be addressed in the environmental report. Mr. John Evans replied that the e-mail did not specifically address the EA, and the sender was welcome to provide those comments within that context. He said that the concerns were primarily opinions and could be submitted during the EA public outreach period.

Mr. Eyster affirmed that the e-mail communication expressed third-party opinions that in some cases were inconsistent with the actual project activities, such as outreach to businesses.

Project Communications Coordinator Lisa VanWinkle described the outreach to business owners along the proposed EmX corridor and emphasized to the Board that the approach is to address what the project, if approved and built, would look like to businesses along the corridor. She said that some portions of the route had changed during the Alternative Analysis mitigation process, and efforts were being made to ensure that stakeholders were aware of those changes. Information was being collected from businesses regarding any outstanding concerns that could be considered during the preliminary design phase.

Mr. Greg Evans asked if the concerns of social service providers had been addressed during the project assessment phase. Mr. John Evans replied that discussions with service providers along the corridor had continued, and an initial opposition to the project from one provider did not appear to be an issue any longer. He said that providers were generally supportive of the project.

Ms. Towery commented that she and LTD staff had conducted extensive meetings with providers along the corridor, and she agreed that social service agencies and their clients seemed very supportive of the EmX project.

Mr. John Evans reiterated that outreach and relationship building with stakeholders along the corridor would continue as the project moved forward. He said that staff were working with a real estate expert to determine the specific valuation impacts on properties along the corridor, which would help identify further mitigation strategies. He said that the intent was to comply with FTA's expectation that the impacts be determined by an independent expert.

Mr. Greg Evans asked if the valuation would be used by LTD in the event that some financial compensation of a property owner was considered. Mr. John Evans said the valuation would provide an overview of property impact through a cursory appraisal; but if the project was funded, there would be formal appraisals as it moved forward. Director of Planning and Development Tom Schwetz added that the purpose of the valuation was to provide a sense of the business impacts as part of the EA process.

Mr. Schwetz reported that real-time passenger information displays had been installed at some EmX stations, particularly in the Gateway area. He expected the system would be live in February 2012. He added that EmX was part of a bus rapid transit national research project examining real-time passenger information and its effect on ridership.

Mr. Schwetz said that a third RiverBend station, as envisioned in the master plan, would be constructed in the near future to address transit demand. He said that the station would be funded from the remainder of the Gateway EmX project budget. He said that another research project to provide more consistent docking would be conducted between the Walnut and Dads' Gate stations.

Continuing, Mr. Schwetz said that LTD had received a grant from FTA to complete an Alternatives Analysis (AA) on the next proposed EmX extension along Main Street and McVay Highway to connect the Thurston Station and Lane Community College. He said that he expected the process to identify locally preferred routes. The AA would commence in March 2012 and take approximately 18 months. He said that experience gained in the West Eugene EmX Extension

(WEEE) project demonstrated that a joint AA/National Environmental Policy Act (NEPA) process was not the best path. This time the project would begin with an AA, which would provide a better perspective on how the EA would be conducted. He said that the next Let's Talk Transit event was scheduled for February 16, 2012, with a focus on walkable urbanism.

AUDIENCE PARTICIPATION: Mr. Eyster explained the guidelines for providing public comment.

Bob Macherione, 1994 Brewer, Eugene business owner and member of Our Money, Our Transit (OMOT), appreciated the historical data presented in the CAFR. He claimed that LTD violated some aspects of the WEEE NEPA process. He thanked Mr. Kilcoyne for inviting him to meet with the national transit expert Jarrett Walker but complained that he had not received notice of the meeting in a timely manner. He also did not believe that the District had talked to all businesses along the WEEE corridor before submitting information to the FTA. He voiced concerns that his interpretation of the data contained in various LTD documents was not being heard. He said that OMOT had hired its own independent transit engineer to collect WEEE data; and when that data was compiled, OMOT would submit it to the FTA.

Mr. Schwetz explained the West Eugene EmX environmental process, which began with a formal filing of the Notice of Intent in September 2007. Initially there were 58 alternatives under consideration. Reducing those to a manageable number and proceeding with the assessment was conducted at the direction, and with the consent of, the FTA.

Mr. Kilcoyne added that the details of a meeting with national transit expert Jarrett Walker were not finalized until earlier that day.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar:** Mr. Dubick moved adoption of LTD Resolution No. 2011-028: It is hereby resolved that the Consent Calendar for December 12, 2011, is approved as presented. Mr. Necker provided the second. The Consent Calendar consisted of the minutes of the November 16, 2011, Regular Board Meeting.

VOTE The Consent Calendar was approved as follows:
AYES: Dubick, Evans, Eyster, Gillespie, Kortge, Necker, Towery (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Acceptance of Audit Report for Fiscal Year Ending June 30, 2011: Ms. Hellekson said that before submitting the audit report to state and federal granting agencies, the Board should formally accept the audit report. Acceptance of the report acknowledges that it was received in a timely manner and was adequate to meet the purpose.

MOTION Mr. Kortge moved adoption of LTD Resolution No. 2011-029: Resolved, that the LTD Board of Directors received the Independent Audit for Fiscal Year 2010-11, and accepts the Independent Audit Report for the fiscal year ending June 30, 2011. Mr. Evans provided the second.

VOTE

The motion was approved as follows:

AYES: Dubick, Evans, Eyster, Gillespie, Kortge, Necker, Towery (7)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports

Metropolitan Planning Organization Citizen Advisory Committee (MPOCAC): Mr. Gillespie reported that the next meeting is scheduled for December 15. He thanked those who were present at the recent Metropolitan Policy Committee (MPC) meeting for clarifying remarks regarding the MPOCAC recruitment and appointment process.

Mr. Eyster said that there had been discussion of the MPOCAC recruitment at the recent MPC meeting, and the deadline for applications is sometime in January 2012. The MPC also took action on the Regional Transportation Plan.

EmX Steering Committee: Mr. Greg Evans reported that there was an update on the WEEE project, and the Committee received a preview of the Main Street/McVay Highway extension. He announced that Dan Egan, a longtime member of the committee, had resigned and that his service to the committee was greatly appreciated.

Lance Council of Governments (LCOG) Board of Directors: Mr. Dubick said that the LCOG Board reviewed budget cuts to the senior meals program because of a reduction in state funds. He said that the Board also discussed input to the executive search firm that would be conducting a recruitment to replace current LCOG Executive Director George Kloeppe when he retires. He said that the Board also decided not to raise dues for member agencies and even proposed lowering dues for Lane County because of the County's financial situation.

American Public Transportation Association (APTA) Board of Directors Executive Committee: Mr. Greg Evans reported that the proposal for a political action committee had been defeated because of concerns regarding using public funds for political purposes.

LTD Subdistrict Review Update: Director of Human Resources and Risk Management Mary Adams stated that the Oregon Secretary of State's office had not yet begun boundary reviews of several public entities that were triggered by the 2010 Census. She did not expect to see a draft document before February or March 2012. She would continue to monitor the process and report to the Board.

Mr. Greg Evans asked if staff had determined what process had been used in previous boundary reviews. Ms. Adams replied that most of the people involved were no longer available, nor was there documentation available for her to research. She anticipated that the database would be provided by LCOG. She would try to make sure that the Board received any draft proposals in sufficient time to provide input.

Mr. Gillespie asked if the boundary review would affect LTD's jurisdiction. Ms. Adams said that the review would not affect the District's external boundaries; it would only address the division of subdistricts within its boundaries.

Monthly Financial Report—November 2011: Ms. Hellekson noted that the November financial report had been provided separately to the Board. She noted that there had been a 3.6 percent increase in payroll tax receipts during the last fiscal year; an increase of 3.5 percent was budgeted in the current year, and the increase was currently at 3.8 percent. She said that the average fuel price per gallon had remained steady at \$3.22 for the past two months and was currently at \$2.92. She expected the fuel cost would be maintained under the \$3.75 per gallon that had been budgeted.

Mr. Gillespie asked if there had been progress on restoring funds for the student bus pass program. Ms. Hellekson said that several schools, both public and private, were purchasing student passes, but the District was still seeing a significant decrease in revenues for fares because of the loss of the student transit pass program. She said that the decrease had been partially offset by the growth in group pass and student one- and three-month pass sales. She said more details would be provided at the Board's January 2012 meeting.

Ms. Adams added that student passes had been explicitly excluded from funding through the Business Energy Tax Credit program, and there was no momentum for identifying another funding source.

Other Business: Mr. Eyster invited ATU representative Carl Faddis to address the Board.

Mr. Faddis described his employment history with LTD and expressed his gratitude for the organization and his fellow employees. He urged the Board to get to know union members and vowed to act as a liaison between the Board and union members to facilitate communication. He appreciated the difficult choices with which the Board had been faced in the past and looked forward to working with Board members to introduce them to ATU members.

Mr. Kortge thanked Mr. Faddis for talking to the Board and extending an invitation to a dialogue with the union.

Ms. Towery commended LTD bus operators for their service to the District and the community.

Mr. Eyster thanked Mr. Faddis for his remarks and looked forward to working together.

RECESS: Mr. Eyster called a recess at 7:02 p.m.

RECONVENE: Mr. Eyster reconvened the meeting at 7:18 p.m.

MOTION EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(i): Mr. Evans moved that the Board meet in Executive Session pursuant to ORS 192.660(2)(i), to review and evaluate the employment-related performance of the LTD general manager. Mr. Kortge provided the second.

VOTE The motion was approved as follows:
AYES: Dubick, Evans, Eyster, Gillespie, Kortge, Necker, Towery (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None


The Board entered Executive Session at 7:19 p.m.

RETURN TO REGULAR (OPEN) SESSION: The Board returned to open session at 8:21 p.m.


ADJOURNMENT: Mr. Eyster adjourned the meeting at 8:21 p.m.

LANE TRANSIT DISTRICT

ATTEST



Mike Eyster
Board President



Jeanne Schapper
Administrative Services Manager/
Clerk of the Board

Date Approved: February 15, 2012